

House File 2472

H-8305

Amend House File 2472 as follows:

1. By striking everything after the enacting clause and inserting:

<DIVISION I

LEGISLATIVE INTENT

Section 1. SHORT TITLE. This Act shall be known and may be cited as the "Statewide Broadband Expansion Act".

Sec. 2. LEGISLATIVE INTENT. The general assembly finds that the availability of broadband access, and the infrastructure necessary to facilitate that access, varies to a significant extent from one area of the state to another, and that increasing access to broadband throughout the state is vital so that every citizen, business entity or organization, and community in this state can be afforded the opportunity to fully integrate with and utilize modern technology for educational, economic development and job training, health care, and other purposes.

DIVISION II

STATEWIDE BROADBAND COORDINATION

Sec. 3. Section 8B.1, Code 2014, is amended by adding the following new subsections:

NEW SUBSECTION. 01. "*Broadband*" means a high-speed, high-capacity electronic transmission medium that can carry data signals from multiple independent network sources by establishing different bandwidth channels and that is commonly used to deliver internet services to the public.

NEW SUBSECTION. 001. "*Broadband infrastructure*" means the physical infrastructure used for the transmission of data via broadband, including but not limited to any equipment, systems, switches, routers, wire, cable, satellite, conduits, servers, software, technology, base transceiver station sites, or other means of transmission or communication. "*Broadband infrastructure*" does not include land, buildings, structures, improvements, or equipment not directly used in the transmission of data.

NEW SUBSECTION. 0001. "*Communications service provider*" means a service provider that provides broadband service.

NEW SUBSECTION. 00001. "*Crop operation*" means the same as defined in section 717A.1.

Sec. 4. Section 8B.1, subsection 1, Code 2014, is amended to read as follows:

1. "*Information technology*" means computing and electronics applications used to process and distribute information in digital and other forms and includes information technology devices, information technology

1 services, infrastructure services, broadband and
2 broadband infrastructure, and value-added services.

3 Sec. 5. Section 8B.1, Code 2014, is amended by
4 adding the following new subsections:

5 NEW SUBSECTION. 7A. *"Targeted underserved service*
6 *area"* means a United States census bureau census
7 block located in this state, including any crop
8 operation located within the census block, within
9 which communications service providers do not offer or
10 facilitate broadband service at or above twenty-five
11 megabits per second of download speed or three megabits
12 per second of upload speed. This definition may be
13 adjusted by the office by rule pursuant to section
14 8B.10.

15 NEW SUBSECTION. 7B. *"Targeted unserved service*
16 *area"* means a United States census bureau census
17 block located in this state, including any crop
18 operation located within the census block, within
19 which communications service providers do not offer or
20 facilitate broadband service at or above four megabits
21 per second of download speed or one megabit per second
22 of upload speed. This definition may be adjusted by
23 the office by rule pursuant to section 8B.10.

24 Sec. 6. Section 8B.3, subsection 1, Code 2014, is
25 amended to read as follows:

26 1. The office is created for the purpose of
27 leading, directing, managing, coordinating, and
28 providing accountability for the information technology
29 resources of state government and for coordinating
30 statewide broadband availability and access.

31 Sec. 7. Section 8B.4, Code 2014, is amended by
32 adding the following new subsection:

33 NEW SUBSECTION. 14A. Streamline, consolidate,
34 and coordinate the access to and availability of
35 broadband and broadband infrastructure throughout
36 the state, including but not limited to the
37 facilitation of public-private partnerships, ensuring
38 that all state agencies' broadband and broadband
39 infrastructure policies and procedures are aligned,
40 promoting accountability regarding broadband and
41 broadband infrastructure availability and access,
42 integrating broadband with cyber security standards
43 and rules, resolving issues which arise with regard
44 to implementation efforts, collecting data and
45 developing metrics or standards against which the data
46 may be measured and evaluated regarding broadband
47 infrastructure installation and deployment, and
48 identifying options regarding the creation of standing
49 resources for stakeholders such as a fiberoptic
50 database or a fiberoptic network conduit installation

1 coordination effort for state-funded construction
2 projects.

3 Sec. 8. Section 8B.9, Code 2014, is amended by
4 adding the following new subsection:

5 NEW SUBSECTION. 5. An annual report regarding the
6 status of broadband expansion and coordination.

7 Sec. 9. NEW SECTION. 8B.10 Targeted unserved and
8 underserved service areas — determination — criteria
9 — subdivision.

10 1. The office may periodically adjust the
11 definitions of targeted unserved service area and
12 targeted underserved service area contained in
13 section 8B.1 by rule. The determination of whether a
14 communications service provider offers or facilitates
15 broadband service meeting the download or upload speeds
16 specified in such definitions shall be determined or
17 ascertained by reference to broadband availability maps
18 or data sources that are widely accepted for accuracy
19 and available for public review and comment and that
20 are identified by the office by rule.

21 2. The office shall establish procedures to allow
22 challenges to claims that an area meets the definition
23 of a targeted unserved service area or targeted
24 underserved service area.

25 3. Service areas that have more than one
26 communications service provider shall be subdivided
27 based on incumbent local telephone exchange areas
28 that have been established by the utilities board of
29 the utilities division of the department of commerce
30 pursuant to section 476.29.

31 Sec. 10. Section 8D.3, subsection 2, paragraph a,
32 Code 2014, is amended to read as follows:

33 a. The commission is composed of the chief
34 information officer appointed pursuant to section 8B.2
35 or the chief information officer's designee and five
36 other members who shall be appointed by the governor
37 and subject to confirmation by the senate. ~~Members~~
38 Appointed members of the commission shall not serve in
39 any manner or be employed by an authorized user of the
40 network or by an entity seeking to do or doing business
41 with the network.

42 (1) The governor shall appoint a member as the
43 chairperson of the commission from the five members
44 appointed by the governor, subject to confirmation by
45 the senate.

46 (2) ~~Members~~ Appointed members of the commission
47 shall serve six-year staggered terms as designated by
48 the governor and appointments to the commission are
49 subject to the requirements of sections 69.16, 69.16A,
50 and 69.19. Vacancies shall be filled by the governor

1 for the duration of the unexpired term.

2 (3) The salary of the appointed members of the
3 commission shall be twelve thousand dollars per year,
4 except that the salary of the chairperson shall be
5 seventeen thousand dollars per year. Members Appointed
6 members of the commission shall also be reimbursed
7 for all actual and necessary expenses incurred in the
8 performance of duties as members. The benefits and
9 salary paid to the appointed members of the commission
10 shall be adjusted annually equal to the average of the
11 annual pay adjustments, expense reimbursements, and
12 related benefits provided under collective bargaining
13 agreements negotiated pursuant to chapter 20.

14 Sec. 11. Section 8D.3, subsection 2, paragraph b,
15 Code 2014, is amended to read as follows:

16 ~~b. In addition to the members appointed by the~~
17 ~~governor, the~~ The auditor of state or the auditor's
18 designee shall serve as a nonvoting, ex officio member
19 of the commission.

20 Sec. 12. Section 8D.4, Code 2014, is amended to
21 read as follows:

22 **8D.4 Executive director appointed.**

23 The commission, in consultation with the director
24 of the department of administrative services ~~and the~~
25 ~~chief information officer~~, shall appoint an executive
26 director of the commission, subject to confirmation
27 by the senate. Such individual shall not serve as a
28 member of the commission. The executive director shall
29 serve at the pleasure of the commission. The executive
30 director shall be selected primarily for administrative
31 ability and knowledge in the field, without regard to
32 political affiliation. The governor shall establish
33 the salary of the executive director within range nine
34 as established by the general assembly. The salary
35 and support of the executive director shall be paid
36 from funds deposited in the Iowa communications network
37 fund.

38 Sec. 13. Section 80.28, subsection 2, Code 2014, is
39 amended to read as follows:

40 2. The board shall consist of ~~fifteen~~ seventeen
41 voting members, as follows:

42 a. The following members representing state
43 agencies:

44 (1) One member representing the department of
45 public safety.

46 (2) One member representing the state department of
47 transportation.

48 (3) One member representing the department of
49 homeland security and emergency management.

50 (4) One member representing the department of

1 corrections.
2 (5) One member representing the department of
3 natural resources.
4 (6) One member representing the Iowa department of
5 public health.
6 (7) One member representing the office of the chief
7 information officer.
8 b. The governor shall solicit and consider
9 recommendations from professional or volunteer
10 organizations in appointing the following members:
11 (1) Two members who are representatives from
12 municipal police departments.
13 (2) Two members who are representatives of
14 sheriff's offices.
15 (3) Two members who are representatives from fire
16 departments. One of the members shall be a volunteer
17 fire fighter and the other member shall be a paid fire
18 fighter.
19 (4) Two members who are law communication center
20 managers employed by state or local government
21 agencies.
22 (05) One member who is an emergency medical care
23 provider as defined in section 147A.1.
24 (5) One at-large member.

25 DIVISION III

26 INCOME TAX INCENTIVES

27 Sec. 14. NEW SECTION. **422.11C Broadband**
28 **infrastructure tax credit.**

29 1. For purposes of this section, "*broadband*
30 *infrastructure*", "*communications service provider*",
31 "*targeted unserved service area*", and "*targeted*
32 *underserved service area*" mean the same as defined in
33 section 8B.1.

34 2. The taxes imposed under this division, less the
35 credits allowed under section 422.12, shall be reduced
36 by a broadband infrastructure tax credit equal to seven
37 percent of the amount expended by a communications
38 service provider for a new installation of broadband
39 infrastructure completed on or after July 1, 2014, with
40 such reduction not to exceed a maximum of two hundred
41 fifty thousand dollars per United States census bureau
42 census block or three million dollars per installation.
43 A taxpayer claiming a credit under this section shall
44 certify prior to commencement of the installation
45 that the broadband infrastructure installation will
46 take place within a targeted unserved service area or
47 a targeted underserved service area. Any credit in
48 excess of the tax liability for the tax year shall not
49 be refunded, but may be credited to the tax liability
50 for the following ten tax years or until depleted,

1 whichever is earlier.

2 3. An individual may claim the tax credit allowed a
3 partnership, limited liability company, S corporation,
4 estate, or trust electing to have the income taxed
5 directly to the individual. The amount claimed by the
6 individual shall be based upon the pro rata share of
7 the individual's earnings of a partnership, limited
8 liability company, S corporation, estate, or trust.

9 4. The director of revenue may adopt rules pursuant
10 to chapter 17A for the interpretation and proper
11 administration of the credit provided in this section.

12 Sec. 15. Section 422.33, Code 2014, is amended by
13 adding the following new subsection:

14 NEW SUBSECTION. 31. The taxes imposed under this
15 division shall be reduced by a broadband infrastructure
16 tax credit allowed under section 422.11C.

17 Sec. 16. RETROACTIVE APPLICABILITY. This division
18 of this Act applies retroactively to January 1, 2014,
19 for tax years beginning on or after that date.

20 DIVISION IV

21 PROPERTY TAX INCENTIVES

22 Sec. 17. Section 427.1, Code 2014, is amended by
23 adding the following new subsection:

24 NEW SUBSECTION. 40. *Broadband infrastructure.*

25 *a.* Broadband infrastructure shall be entitled
26 to an exemption from taxation to the extent provided
27 in this section based upon the actual value added
28 by broadband infrastructure that is newly installed
29 and completed. For the purposes of this subsection,
30 "broadband infrastructure", "targeted unserved service
31 area", and "targeted underserved service area" mean the
32 same as defined in section 8B.1.

33 *b.* The exemption shall apply to the new
34 installation of broadband infrastructure completed on
35 or after July 1, 2014, in a targeted unserved service
36 area or a targeted underserved service area. A person
37 claiming an exemption under this subsection shall
38 certify prior to commencement of the installation
39 that the broadband installation will take place
40 within a targeted unserved service area or a targeted
41 underserved service area.

42 *c.* If the broadband infrastructure is assessed with
43 other property as a unit by the department of revenue
44 pursuant to sections 428.24 through 428.29 or chapter
45 433, this exemption shall be limited to the value added
46 by the broadband infrastructure as determined as of
47 the assessment date and the exemption shall be applied
48 prior to any other exemption applicable to the unit
49 value.

50 *d.* The tax exemption shall be a one hundred percent

1 exemption from taxation on the actual value added by
2 the improvements for a period of ten years.

3 e. (1) A person may submit a proposal to the
4 governing body of the city or county within which
5 a broadband infrastructure installation project is
6 proposed to receive prior approval for eligibility
7 for a tax exemption for the project pursuant to this
8 section. The governing body shall, by resolution, give
9 its prior approval if the project is in conformance
10 with the requirements of this subsection. Such prior
11 approval shall not entitle the owner to exemption from
12 taxation until the improvements have been completed
13 and found to be qualified real estate. However, if
14 the proposal is not approved, the person may submit an
15 amended proposal for the governing body to approve or
16 reject.

17 (2) The application for an exemption shall be filed
18 by the owner of the property with the governing body
19 of the city or county in which the property is located
20 by February 1 of the assessment year for which the
21 exemption is first claimed, but not later than the
22 year in which the value added pursuant to the project
23 is first assessed for taxation, or the following
24 two assessment years, in which case the exemption is
25 allowed for the total number of years in the exemption
26 schedule. However, upon the request of the owner at
27 any time, the governing body of the city or county
28 may provide by resolution that the owner may file an
29 application by February 1 of any other assessment
30 year selected by the governing body in which case the
31 exemption is allowed for the number of years remaining
32 in the exemption schedule selected. The application
33 shall contain but not be limited to the following
34 information:

35 (a) The nature of the improvement.

36 (b) The estimated cost of the improvement.

37 (c) The estimated or actual date of project
38 completion.

39 (d) Certification that the installation was
40 completed in a targeted unserved service area or a
41 targeted underserved service area.

42 (3) The governing body of the city or county shall
43 forward for review all approved applications to the
44 appropriate local assessor by March 1 annually. The
45 assessor shall proceed to determine the actual value
46 of the newly installed broadband infrastructure and
47 shall certify the valuation determined to the county
48 auditor at the time of transmitting the assessment
49 rolls. After the tax exemption is granted, the local
50 assessor shall continue to grant the tax exemption

1 for the remainder of the time period in the exemption
2 schedule, and applications for exemption for succeeding
3 years shall not be required.

4 *f.* The director of revenue may adopt rules pursuant
5 to chapter 17A for the interpretation and proper
6 administration of the exemption provided in this
7 subsection.

8 DIVISION V

9 SCHOOL INFORMATION TECHNOLOGY INFRASTRUCTURE

10 Sec. 18. Section 423F.3, subsection 6, Code 2014,
11 is amended to read as follows:

12 6. *a.* For purposes of this chapter, "*school*
13 *infrastructure*" means those activities authorized in
14 section 423E.1, subsection 3, Code 2007.

15 *b.* Additionally, "*school infrastructure*" includes
16 the payment or retirement of outstanding bonds
17 previously issued for school infrastructure purposes
18 as defined in this subsection, and the payment or
19 retirement of bonds issued under sections 423E.5 and
20 423F.4.

21 *c.* Additionally, "*school infrastructure*" includes
22 the acquisition or installation of information
23 technology infrastructure. "*Information technology*
24 *infrastructure*" means the basic, underlying physical
25 framework or system necessary to deliver technology
26 connectivity to a school district and to network school
27 buildings within a school district.

28 ~~*e.*~~ *d.* A school district that uses secure an
29 advanced vision for education fund moneys for school
30 infrastructure shall comply with the state building
31 code in the absence of a local building code.

32 DIVISION VI

33 STEM INTERNSHIPS

34 Sec. 19. Section 15.411, subsection 3, Code 2014,
35 is amended to read as follows:

36 3. *a.* The authority shall establish and administer
37 an ~~innovative businesses~~ internship program with two
38 components for Iowa students. For purposes of this
39 subsection, "*Iowa student*" means a student of an Iowa
40 community college, private college, or institution of
41 higher learning under the control of the state board of
42 regents, or a student who graduated from high school in
43 Iowa but now attends an institution of higher learning
44 outside the state of Iowa.

45 *b.* The purpose of the first component of the
46 program is to link Iowa students to small and medium
47 sized Iowa firms through internship opportunities. An
48 Iowa employer may receive financial assistance in an
49 amount of one dollar for every two dollars paid by
50 the employer to an intern. The amount of financial

1 assistance shall not exceed three thousand one hundred
2 dollars for any single internship, or nine thousand
3 three hundred dollars for any single employer. In
4 order to be eligible to receive financial assistance
5 under this ~~subsection~~ paragraph, the employer must
6 have five hundred or fewer employees and must be an
7 innovative business. The authority shall encourage
8 youth who reside in economically distressed areas,
9 youth adjudicated to have committed a delinquent
10 act, and youth transitioning out of foster care to
11 participate in the first component of the internship
12 program.

13 c. (1) The purpose of the second component of the
14 program is to assist in placing Iowa students studying
15 in the fields of science, technology, engineering, and
16 mathematics into internships that lead to permanent
17 positions with Iowa employers. The authority shall
18 collaborate with eligible employers, including but not
19 limited to innovative businesses, to ensure that the
20 interns hired are studying in such fields. An Iowa
21 employer may receive financial assistance in an amount
22 of one dollar for every dollar paid by the employer to
23 an intern. The amount of financial assistance shall
24 not exceed five thousand dollars per internship. The
25 authority may adopt rules to administer this component.

26 (2) The requirement to administer this component of
27 the internship program is contingent upon the provision
28 of funding for such purposes by the general assembly.>

29 2. Title page, by striking lines 1 through 4
30 and inserting <An Act providing for the expansion
31 of the availability of broadband access across the
32 state, including income tax credits and property tax
33 exemptions for broadband infrastructure installations,
34 and including retroactive applicability provisions.>

PRICHARD of Floyd